

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	Petra Suntychová
Advisor:	Mgr. Jan Šíla, M.Sc.
Title of the thesis:	Analysis of automobile companies stocks performance based on their electric vehicles sales share

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

Short summary

The submitted thesis tries to connect asset pricing theory and the current hot topic of environmental changes and the adoption of electric cars. The author constructs a new asset pricing factor that is used to price car manufacturers traded in the USA. The results of the analysis show that companies with low sensitivity to the adoption of electric vehicles earn higher returns.

Contribution

The contribution of the thesis is somehow limited – although the importance of the environmental regulations is unquestionable, I do not think that standard asset pricing techniques with portfolio sorts and creation of factors from the sorted portfolios are the way here (details in the Methods section). The results of the analysis should also be commented in greater detail since the section describing results is very brief, and some important parts of the analysis are missing and a reader has sometimes to guess what the author wanted to say.

Methods

The empirical asset pricing methods used in the analysis are quite advanced and definitely not standard for a bachelor thesis. Given that the author has to study the basics of the empirical asset pricing on her own, the methods are not always applied correctly, or the important parts of analysis are missing. The following comments should be therefore taken as a suggestion for further research and not as a critique.

- It would be good to see descriptive statistics of the sorting variable of the stocks used in analysis so the reader can see whether companies under investigation are similar or not.
- When the portfolio sort is performed, it would be good to see excess future returns and the Fama-French alphas with corresponding t-statistics so the reader can evaluate the significance of the variables.
- In the asset pricing literature, it is not common to use a small amount of stocks for analysis rather the whole universe of assets. The reason is that couple assets with unusual characteristic do not affect the results of portfolio sorts when each portfolio consists of couple of hundred assets. On the other hand if you sort 15 (or 17) assets it might happen that one stock will greatly affect the performance of the whole portfolio.
- The results of the analysis are the most important part of the thesis – they should be carefully commented on, and possible implications should be explained. In the thesis, however, the results are commented very briefly and given the absence of descriptive statistics and t-stats in the table on p 22 it is very hard to judge the economic significance of the results.

Literature

Literature used throughout the thesis is sufficient, and the author demonstrates good knowledge of it. The one remark though – the Fama-French 3 factor model was introduced in 1993 paper not in the 1992 paper.

Manuscript form

The manuscript form is not the strongest part of the thesis. There are quite a few typos in the text; some weird signs appear several times in text (e.g. p. 6 â€š, â€ŧ, p.7 â€™ etc.). On the title page

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	Petra Suntychová
Advisor:	Mgr. Jan Šíla, M.Sc.
Title of the thesis:	Analysis of automobile companies stocks performance based on their electric vehicles sales share

author claims that it is a master thesis, but in reality, it is bachelor one; the list of tables and figures are empty, same as Appendix A; the Appendix B could be easily included in the thesis as a footnote in Data section. The first two items of the Bibliography are not complete and include signs „(????)“. When referring in text to variables used in equations, it is good to put them in italics so the reader can easily identify that they are not just random letters in text. In the section Data p.10 it is written that 17 companies are studied while in section Methodology p.16 there is only 15 companies mentioned – how many companies were actually used, and how you form „equally-balanced portfolios with ratios 6:7:6“ from 15 or 17 stocks?

The text would benefit from carefull proofreading as some sentences/paragraphs does not make sense e.g. p.15 second paragraph „Objectives of this method are an excess ...“

Overall evaluation and suggested questions for the discussion during the defense

The submitted thesis tries to answer the important question of whether the stock price of car manufacturers are sensitive to environmental regulations represented by the adoption of electric vehicles. My impression is that the complexity of the empirical exercise is little bit too much for the bachelor student; however, the author fights quite well with obstacles. I have no other question to be answered during defense besides one mentioned in the Manuscript form part. The results of the Urkund analysis do not indicate significant text similarity with other available sources. In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade C.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	15
<i>Methods</i> (max. 30 points)	25
<i>Literature</i> (max. 20 points)	18
<i>Manuscript Form</i> (max. 20 points)	13
TOTAL POINTS (max. 100 points)	71
GRADE (A – B – C – D – E – F)	C

NAME OF THE REFEREE: František Čech

DATE OF EVALUATION: 28.8.2021

Digitálně podepsáno (28.8.2021):
František Čech

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F